UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice PS-298

For: State and County Offices

Additional Information About Entering and Uploading SHOP Program Application Data

Approved by: Deputy Administrator, Farm Programs

1 Overview

A Background

1999 SHOP Program:

- **Notice LD-478**:
  - provided general policy and procedure
  - subparagraph 5 D, provided specific gross income requirements
- **Notice PS-297** provided automation instructions for:
  - entering and storing SHOP application data
  - modifying stored SHOP application data **before** upload to KCMO
  - deleting SHOP application data **before** upload to KCMO
  - printing stored SHOP application data reports.

Software for processing SHOP application data was provided in County Release No. 400.

Note: Only "**approved**" FSA-1042 data shall be entered in APSS.

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Disposal Date	Distribution
September 1, 1999	State Offices; States Offices relay to County Offices

1 Overview (Continued)

B
Purpose

This notice provides:

- a "**time table**" for SHOP Application data:
  - entry in APSS by County Offices
  - upload to the KCMO-based mainframe computer
- additional instructions for entering SHOP Applications in APSS that involve producers who are **ineligible** because they exceed the $2.5 million annual gross income limitation, and who are members of:
  - a hog operation as a "multiple producer"
  - corporation
  - joint venture
  - partnership.

2 SHOP Application Data "Timetable"

A
Sign Up

SHOP Program "**sign-up**", meaning the time for manually completing and approving FSA-1042, ended at **COB Friday, February 12, 1999**.

B
Entry of SHOP Data in APSS

Because SHOP Applications may have "back-logged" because of heavy workload during the "sign-up" period, County Offices shall have until **COB Friday, February 26, 1999,** to:

- enter SHOP application data in APSS
- modify any "previously entered" SHOP application data in APSS
- delete any "previously entered" SHOP application data.

After **COB Friday, February 26, 1999**, SHOP Application data **cannot** be:

- entered in APSS
- modified in APSS
- deleted from APSS.

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2 SHOP Application Data "Timetable" (Continued)

C
Upload of SHOP Data to KCMO

SHOP Program Application data will be "uploaded" to the KCMO-based mainframe after COB on Friday, February 26, 1999, by means of a "trigger" mechanism that will be "broadcasted" to County Offices for that specific purpose.

D
SHOP Processing After Data Upload

After nationwide SHOP Application data has been uploaded to KCMO, then at dates to be determined:

- the mainframe shall calculate a National Factor, according to Notice LD-478, subparagraph 2 D
- software will be issued to County Offices that will:
  - contain a Payment Rate and National Factor table
  - facilitate SHOP payments processing
- a future PS notice will provide instructions to County Offices for:
  - issuing SHOP payments
  - canceling SHOP payables.

3 Allocating SHOP Percentage Shares Among Eligible "Multiple Producers"

A Percentage Shares for "Multiple Producers"

Enter SHOP Application "multiple producers" according to Notice PS-297, subparagraphs 4 C and 4 D.

If 1 or more of the "multiple producers" for the applicable SHOP Application hog operation exceeds the "gross income requirement":

- the "**ineligible**" producer's percentage share shall be "0"
- when recording SHOP Application data in APSS, County Offices shall:
  - "allocate" shares among the "eligible" producers according to the examples in the following table
  - enter applicable "allocated" shares on Screen PHA12500, see Notice PS-297, subparagraph 4 E.

Examples of Allocated Percentage Shares		
Condition	**Actual Shares From FSA-1042**	**Allocated Shares**
Hog Operation Example # 1 In this case, because the "**actual** shares" are evenly divided, the "**allocated** shares" shall be evenly divided: Actual: 33% + 33% + 34% = 100% Allocated: 33% + 33% = 66%; and 33/66 = 50%.		
Producer "A" is eligible.	33%	**50%**
Producer "B" is eligible.	33%	**50%**
Producer "C" is **ineligible**.	34%	**0%**
Hog Operation Example # 2 In this case, because the "**actual** shares" are unevenly divided, then "**allocated** shares" shall be divided in same ratio: Actual: 20% + 40% + 40% = 100% Allocated: 20% + 40% = 60%; and 20/60 = 33%; and 40/60 = 67%.		
Producer "A" is eligible.	20%	**33%**
Producer "B" is eligible.	40%	**67%**
Producer "C" is **ineligible**.	40%	**0%**

4 Allocating SHOP Hog Numbers Among Eligible "“Multiple Producers"

A
SHOP Hog Numbers

Enter SHOP Application hog numbers according to Notice PS-297, subparagraph 4 F.

When percentage shares are "allocated" according to paragraph 2 of this notice, County Offices shall:

- enter corresponding "allocated" hog numbers, based on the eligible producer's actual shares, on Screen PHA15000
- use the examples in this table "as a guide" for making "allocated" hog number entries.

Examples of Allocated Hog Numbers			
Condition	**Actual Shares From FSA-1042**	**Actual Total Hogs From FSA-1042**	**Allocated Hog Numbers**
Hog Operation Example # 1 In this case, 66% of the operation's "total" hogs are eligible.			
Producer "A" is eligible.	33%	Feeders = 100 Slaughters = 200 Total = 300	Feeders = 66 Slaughters = 132 Total = 198
Producer "B" is eligible.	33%		
Producer "C" is **ineligible**.	34%		
Hog Operation Example # 2 In this case, 60% of the operation's "total" hogs are eligible.			
Producer "A" is eligible.	20%	Feeders = 100 Slaughters = 200 Total = 300	Feeders = 60 Slaughters = 120 Total = 180
Producer "B" is eligible.	40%		
Producer "C" is **ineligible**.	40%		

5 Allocating Hog Numbers Among Eligible Members of Corporations, Partnerships, and Joint Ventures

A
SHOP Hog Numbers

If the hog operation is a corporation, partnership, or joint venture:

- SHOP gross income eligibility shall be determined on an individual "member" basis
- SHOP percentage shares will always remain 100 percent
- **only hog numbers** need to be "allocated" among **eligible** producers, according to this table, when 1 or more members is determined ineligible because of excessive gross income.

Example of Allocated Hog Numbers			
Condition	**Actual Shares From FSA-1042**	**Actual Total Hogs From FSA-1042**	**Allocated Hog Numbers**
"G & R" Partnership 50% of the partnership's hogs are eligible.			
• Partner "G" is eligible.	50%	Feeders = 200 Slaughters = 400	Feeders = **100** Slaughters = **200**
• Partner "R" is **ineligible**.	50%	Total = 600	Total = **300**

In this example:

- each of the 2 partners has a 50 percent share in the partnership
- partner "R's" gross income exceeds $2.5 million annually
- the SHOP payment share for the G & R partnership is 100 percent, and no percentage share adjustments can be made in SHOP software
- the hog numbers entered on SHOP Screen PHA15000, according to Notice PS-297, subparagraph 4 F, must be reduced from those entered on the FSA-1042:
    - for feeder pigs, from 200 to 100
    - for slaughter hogs, from 400 to 200.